

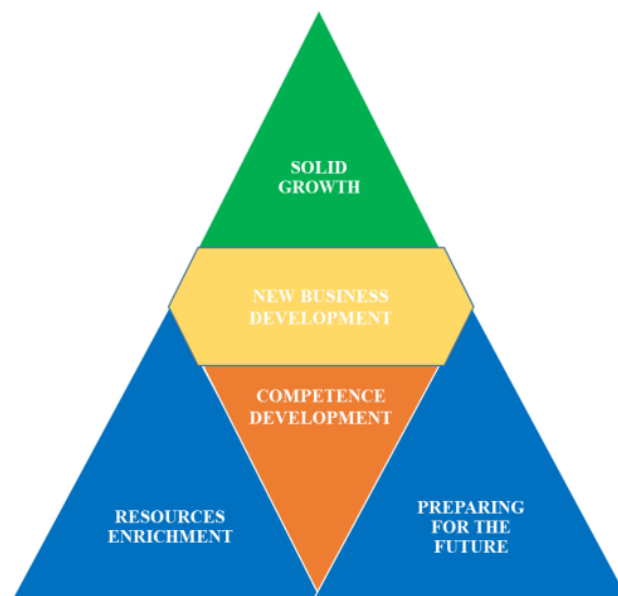
## **2024 BUSINESS PLAN**

### **PHU NHUAN JEWELRY JOINT STOCK COMPANY**

In 2024, the global economy is anticipated to persist in facing challenges stemming from geopolitical tensions, ongoing uncertainties in global trade, sluggish growth in major economies, the intricate impacts of climate change on the world economy, and various other destabilizing factors. Meanwhile, the Vietnamese economy, being highly open, also encounters several hurdles. In consumer retail activities particularly, the anticipated full recovery in purchasing may not materialize as expected in 2024.

Despite facing numerous challenges, PNJ is steadfast in its commitment to advancement, rejuvenation, and breakthrough expansion. The company is determined to accelerate the development of strategic capabilities, implement new investment strategies, and overhaul its entire machinery and mechanism. PNJ's objective is to sustain its position as the leading jewelry retail company in the Vietnamese market while expanding its global footprint. PNJ remains aligned with the strategic direction set by the Board of Directors for the 2023-2027 term and is ready to tackle potential challenges, aiming to achieve new milestones in 2024 and beyond.

In 2024, PNJ will persist in implementing five strategic orientations to ensure the company's sustainable growth in the future. These include four strategic orientations formulated since the 2017-2022 term, along with the foundational aspects of new business development added since 2023.



## **1. SOLID GROWTH**

In 2024, PNJ will focus on strengthening its market dominance, enhancing superior customer service quality, and elevating the effectiveness of operational optimization programs and cost optimization. This objective will be achieved through specific solutions such as:

- Improving revenue generation in key markets by enhancing customer experiences, establishing competitive core experiential capabilities, and boosting customer efficiency.
- Enhancing operational efficiency to drive cost reduction and productivity improvements. Resources will be focused on refining operational methods at retail outlets and enhancing the versatility of management teams and sales consultants.
- Further enhancing cost optimization efforts by delving deeper into implementation, starting with specific optimization plans and actions for each unit and project.
- Revamping business methods and operations by redesigning work processes and optimizing operations through technology applications, thus optimizing both personnel and operational costs.

## **2. COMPETENCE (CAPACITY) DEVELOPMENT**

In 2024, developing strategic capabilities and overhauling the entire machinery and mechanism are top priorities for PNJ to establish a solid foundation for breakthrough expansion:

- Continuing to allocate resources to bolster Technology and Digital Transformation capabilities, swiftly establishing them as pivotal focal points and leveraging factors for business evolution in the era of Industry 4.0. This aims to create a competitive edge against other retail businesses in the industry.
- Developing leadership capabilities at all levels through tailored programs designed for each tier. Enhancing strategic capabilities across different levels of the company to establish standardized platforms for future capabilities, thereby maximizing the potential of all employees.
- Continuing to “level up the regeneration” process, elevating every organizational unit quickly and strongly: Establishing Financial Management capabilities aligned with international standards, bolstering Marketing - Creativity prowess, optimizing efficiency, productivity, and flexibility in existing HR system operations, refining Retail capabilities, and augmenting automation and efficiency in Supply Chain operations.

## **3. ENRICHMENT OF RESOURCES**

PNJ prioritizes resource enrichment through the following aspects:

- Elevating customer relationship assets through innovative approaches and interactions, guided by the principle of "customer-centricity."
- Continuing to enhance human resources and leadership quality for the future through the implementation of team development programs and succession planning initiatives.
- Further enriching PNJ Brand assets - the group of PNJ sub-brands - by fostering connections and synergy among the brands within the PNJ ecosystem, increasing program integration, and enhancing the effectiveness of CSR and ESG programs.

#### 4. PREPARE FOR THE FUTURE

PNJ is well-prepared and poised to realize its long-term vision. Key actions to ensure readiness include:

- Continuing to refine and gradually implement the strategy for the 2024 - 2027 term and the vision for 2030.
- Refining and implementing the corporate governance of the Group.

#### 5. NEW BUSINESS DEVELOPMENT

The exploration of new business ventures is integral to PNJ's strategy for sustaining its leadership in the jewelry retail market, nurturing a holistic ecosystem, and capitalizing on fresh business prospects through the following directions:

- Investing in piloting modern customer engagement models as catalysts for future growth.
- Intensifying research and development efforts in emerging business domains to ignite new avenues of expansion for PNJ.
- Advancing research and development in novel manufacturing technologies and promptly introducing new products to cater to evolving customer demands and business landscapes.

#### 6. SUSTAINABLE DEVELOPMENT

- PNJ Group integrates the ESG (Environmental, Social, and Governance) strategy into its long-term vision, prioritizing community welfare and sustainable value creation.
- Embracing the ESG statement "PNJ acts responsibly to honor the beauty of humanity and sustainable life," the Board of Directors will spearhead initiatives in the Environmental and Social sectors, aligning with their chosen priorities.
  - o A long-term strategy for reducing greenhouse gas emissions will be established, leveraging advanced technology, optimizing production processes, and promoting clean energy adoption to curtail environmental harm.
  - o A social impact strategy (Social (S)) will be developed to honor and inspire human beauty and life.
  - o PNJ aims to construct a Corporate Governance Framework compliant with ASEAN standards, aspiring for OECD benchmarks.
- To execute strategic ESG commitments, the company plans to allocate a budget of 10 billion VND in 2024.

#### 7. 2024 REVENUE & PROFIT PLAN (CONSOLIDATED)

In implementing the orientation and business plan for 2024, the Board of Directors proposes the following specific issues to the General Meeting of Shareholders:

- **Business targets for 2024 (consolidated):**

*Unit: Million Vietnam dong*

TARGETS	ACTUAL 2023	PLAN FOR 2024	GROWTH RATE (%)
Gross revenue	33,136,929	37,147,627	+12 %
Gross profit from sales and services	6,058,591	6,543,400	+ 8 %
Profit before tax	2,488,760	2,637,880	+ 6 %

TARGETS	ACTUAL 2023	PLAN FOR 2024	GROWTH RATE (%)
Profit after tax	1,971,099	2,089,201	+ 6 %
Dividends	20%	20%	

- Regarding advance dividends in 2024: The AGM has authorized the BOD to determine the rate and timing of advance dividends for shareholders in 2024, ensuring it does not exceed the approved expected dividend for the year as endorsed by the AGM.
- The BODs proposes the Operating Fund of the Board in 2024 is approximately 41.67 billion VND, and proposes that the AGM approves additional benefits for the BOD, encompassing training, insurance (including accident and health coverage), and annual health check-ups, in line with the Company's overarching policies. This program will remain effective until the AGM makes a different decision.
- The Board of Directors proposes to the Annual General Meeting of Shareholders to approve the following specific rewards if the 2024 net profit after tax exceeds the 2023 net profit after tax:

#### 7.1 Cash rewards:

- If the profit after tax in 2024 is higher or equal to the profit after tax in 2023 (equivalent to **1,971.1 billion VND**), a bonus of **35 billion VND** will be allocated to the Board of Directors and key leaders.
- If the profit after tax in 2024 is higher or equal to the planned profit after tax in 2024 (equivalent to **2,089.2 billion VND**), a bonus of **50 billion VND** will be allocated to the Board of Directors and key leaders.

#### 7.2 Issuance of shares under the Employee Stock Ownership Plan (ESOP):

##### The Principles for issuing shares:

- The maximum issuance ratio is **2.0% of the total outstanding shares** at the time of issuance.
  - The specific share issuance ratio is as follows:

	The profit after tax in 2024	The expected issuance ratio for ESOP (% ESOP) <i>2.0% maximum in any cases</i>
A	<b>2024 PAT &lt; 100% 2023 PAT</b> <i>(equivalent to 1,971.1 billion VND)</i>	<b>0%</b>
B	<b>2024 PAT &gt;= 100% 2023 PAT</b> <i>(equivalent to 1,971.1 billion VND)</i> <b>and 2024 PAT &lt; 100% 2024 Planned PAT</b> <i>(equivalent to 2,089.2 billion VND)</i>	<b>0.35%</b>
C	<b>2024 PAT &gt;= 100% 2024 Planned PAT</b> <i>(equivalent to VND 2,089.2 billion)</i> <b>and 2024 PAT &lt; 111% 2024 Planned PAT</b> <i>(equivalent to VND 2,319 billion)</i>	- Commencing at a rate of <b>0.9%</b> upon reaching 100% of the 2024 planned PAT, for every 1% of PAT exceeding 100% of 2024 planned PAT, the ESOP issuance rate <b>adds 0.049%</b> .

	<b>The profit after tax in 2024</b>	<b>The expected issuance ratio for ESOP (% ESOP)</b> <i>2.0% maximum in any cases</i>
<b>D</b>	<b>PAT 2024 &gt;= 111% Planned PAT 2024</b> <i>(equivalent to VND 2,319 billion)</i>	- Commencing at a rate of <b>1.4%</b> upon reaching 111% of the 2024 planned PAT , for every 1% of PAT exceeding 111% of 2024 planned PAT, the ESOP issuance rate <b>adds 0.062%</b> .

- Issuance conditions: growth rate of PNJ Total Shareholder Return (%TSR) **must be higher or equal to 5%** compared to the growth rate of the VNIndex (%VNIndex return):

$$\%TSR - \%VNIndex \text{ return} \geq 5\%$$

In which:

$$\%TSR = \frac{(\text{End-of-year PNJ stock price} - \text{Start-of-year PNJ stock price} + \text{Cash dividends}^*)}{\text{Start-of-year PNJ stock price}}$$

\* *In the event of a stock split, stock prices will be adjusted per regulations.*

\* *Cash dividend = Dividend rate (20%) \* Par value*

\* *End-of-year PNJ stock price: average PNJ stock price in December 2024*

\* *Start-of-year PNJ stock price: average PNJ stock price in December 2023*

$$\%VNIndex \text{ return} = \frac{(\text{End-of-year VNIndex} - \text{Start-of-year VNIndex})}{\text{Start-of-year VNIndex}}$$

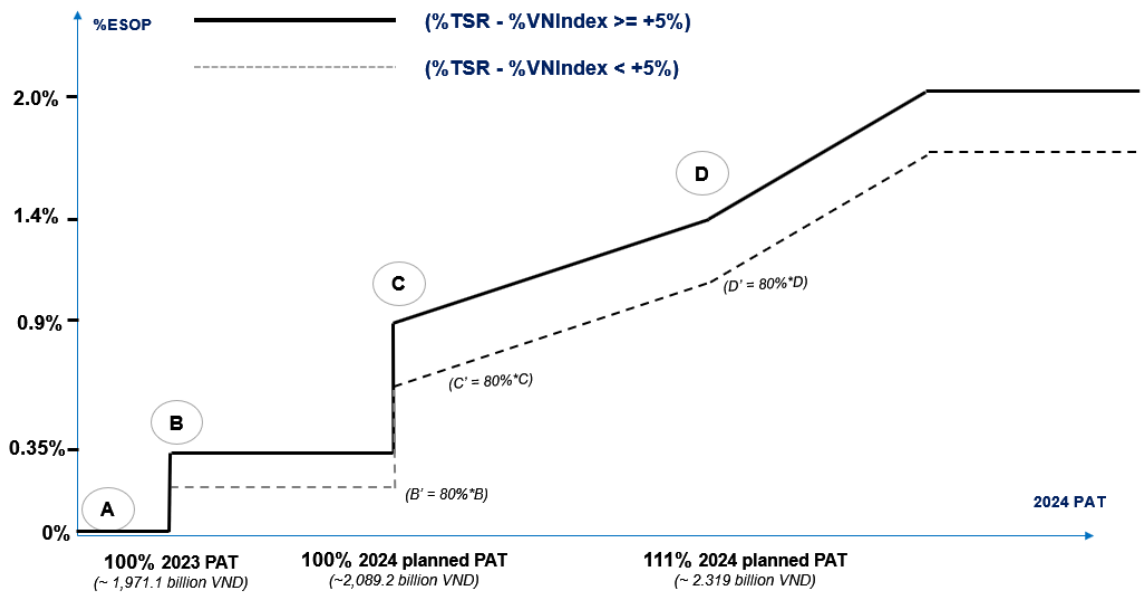
\* *End-of-year VNIndex: average VNIndex in December 2024*

\* *Start-of-year VNIndex: average VNIndex in December 2023*

- b. Adjust to **80% of the ESOP issuance ratio at point a** as above if the growth rate of PNJ Total Shareholder Return (%TSR) does not achieve a minimum improvement of **+5%** compared to the growth rate of the VNIndex (%VNIndex return).

$$\%TSR - \%VNIndex \text{ return} < 5\%$$

### Illustrative graph



	PAT in 2024 (billion VND)	Compared to 2023 PAT and 2024 planned PAT	%TSRPNJ	%VN Index	%TSR – %VNIndex	ESOP issuance ratio (maximum 2.0%)
Example A	1,950	- Achieving 98.9% of 2023 PAT	+12%	+5%	+7%	<b>ESOP issuance ratio: 0%</b>
Example B	2,070	- Achieving 99.1% of 2024 Planned PAT - Achieving 105.0% of 2023 PAT	+12%	+5%	+7%	<b>ESOP issuance ratio: 0,35%</b>
Example C	2,150	- Achieving 102.9% of 2024 Planned PAT	+12%	+5%	+7%	%ESOP = 0.9% + 2.9% *100 * 0.049% = 1.04% <b>ESOP issuance ratio: : 1.04%</b>
Example D	2,600	- Achieving 124.4% of 2024 Planned PAT	+12%	+5%	+7%	%ESOP = 1.4% + 13.4% *100 * 0.062% = 2.23% <b>ESOP issuance ratio: 2.0%</b>
Example D'	2,600	- Achieving 124.4% of 2024 Planned PAT	+10%	+6%	+4% (< +5%)	%ESOP = 1.4% + 13.4% *100 * 0.062% = 2.23% <b>ESOP issuance ratio: 2.0% * 80% = 1.6%</b>

- c. Policies for issuing shares under the Employee Stock Ownership Program (ESOP)
  - o Participants eligible for share purchase:
    - + Members of the Board of Directors, members of the Executive Board, key leaders, managers, and key employees of PNJ and its subsidiaries who have actively contributed to achieving the 2024 business plan.
    - + Specific criteria, a list, and the number of shares available for purchase will be detailed and approved by the Board of Directors.

- Number of issuance shares:  
*The number of ESOP issuance shares = ESOP issuance ratio \* Total number of outstanding shares of the Company at the time of issuance.*
  - Par value per share: VND 10,000 (Ten thousand Vietnamese dong).
  - Issuance price: **VND 20,000** (Twenty thousand Vietnamese dong).
  - Transfer Restriction Period: The transfer restriction period is within 36 months from the date of completion of the issuance.  
  
*(It means that: 30% of shares have the right to transfer after 12 months, 60% after 24 months, and 100% after 36 months from the date of completion of the issuance.)*
- d. Delegation to the Board of Directors:
- The Board of Directors has full authority to decide on detailed issuance plans, specific issuance subjects, and issuance timelines.
  - The Board of Directors determines the actual number of shares to be issued based on the number of outstanding shares at the time of issuance

Respectfully submit to the General Meeting of Shareholders for consideration and approval.

Recipients:

- Shareholders of PNJ
- BOD, Audit Committee
- CEO
- Stored at the BOD Office
- Stored at Clerical Office

**ON BEHALF OF THE BOARD OF DIRECTORS**  
**CHAIRPERSON**  
*(Signed and sealed)*  
**CAO THI NGOC DUNG**